



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Cedar City Field Office
176 East DL Sargent Drive
Cedar City, Utah 84720

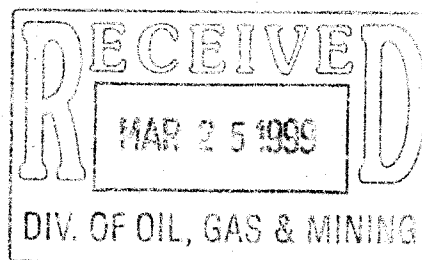
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In Reply Refer To:
UT-040
3809: UTU-72232

March 3, 1999

Mr. Scott Wilkinson
Vice President of Finance and Administration
Gemstone Mining Inc.
P.O. Box 3413
Cedar City, UT 84721



Dear Mr. Wilkinson:

This letter is in regard to your plan of operations submitted to this office on February 4, 1999, for the Ruby Violet Project. The plan of operations covers the proposed mining and processing of red beryl within 52 acres of Federal lands, located within portions of Secs. 29 & 30, T. 29 S., R. 14 W., Beaver County, Utah.

The environmental assessment (EA) process for the proposal resulted in a Finding of No Significant Impact, and the EA was signed by the Area Manager on March 3, 1999. We did not receive any public comments on the proposal. No mitigation measures are required and the plan of operations is approved; however, in the process of finalizing the plan of operations as submitted, the plan was amended (via telephone communication with Mr. Christensen, 2/26/99), to include the following:

1. The salvageable trees, within the pinyon-juniper woodland to be cleared for the processing plant site, would be purchased by GMI under a commercial fuelwood permit.
2. Noxious weeds would be controlled by methods approved by the authorized officer.
3. The final seed mix may be changed by the authorized officer, at the time of reclamation seeding, to reflect the then prevalent reclamation practices.

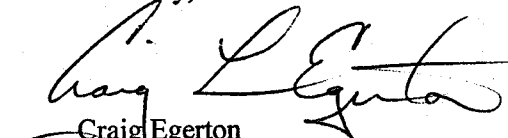
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The ease with which this plan could be finalized, and the lack of mitigation measures, is in large part due to the effort expended by the involved GMI personnel, specifically Mr. Clint Christensen and Mr. Gordon Austin, to design the mine plan with the land management agency. We consider this type of communication and cooperation between the operator and BLM during the planning stages to be ideal, and the personnel involved should be commended for their professionalism and foresight in using this approach. It has been a genuine pleasure working with your company to date.

If you have any questions, feel free to call me at (801) 865-3040.

Sincerely,

Yellow



Craig Egerton
Field Manager

Attachment:: Ruby Violet Project EA

xc: Tom Munson, DOGM